

Follow-up Conference Call

Interim Payment Process

March 16, 2006

Interim Cost Reporting Topics

- Determining Part D drug cost eligibility
- Reporting Estimated Cost Adjustments
- Reporting Percentage of Premiums
- Reporting 2005 Cost for Threshold and Limit Reductions
- Revising Cost Data
- Using Vendors for Cost Reporting
- Choosing State versus Federal Privacy Laws
- Completing Authorized Representative Verification Form

Eligible RDS Subsidy Costs

- Drug costs that are *incurred* (filled) during the Subsidy Period.
- Drug costs that are paid.
- Drug costs that are covered under Part D as defined in 42 C.F.R. 423.100.

Drugs included and excluded from Part D

- By law, a Part D drug is any drug available only by prescription, approved by the Food and Drug Administration (FDA), used and sold in the United States, and used for a medically accepted indication.
- Certain drugs or classes of drugs cannot be Part D drugs because they are excluded by law.
- In addition, a drug cannot be covered under Part D if payment for that drug, as it is prescribed and dispensed or administered to an individual, is available under Parts A or B of Medicare. Sponsors needing additional information about categories of drugs that may be characterized as either Part B or Part D can find this information on the CSM Web Site.

Determining Part D drug cost eligibility

- New Formulary Reference NDC File released 3/1/2006.
- The Formulary Reference NDC File contains a list of drugs that may be included on Part D formularies.
- Each row in the list represents a single drug characterized by a proxy NDC code, brand name, generic name, dosage form and strength.
- See Resource Reminder page at end of this presentation for CMS Web Site address to find this information.

Estimated Cost Adjustment

- Estimate of the expected rebates and other price concessions attributable to the gross retiree cost during the year between the threshold amount and the limit reduction amount.
- May allocate rebates using a methodology that determines rebates received under the plan as % of incurred drug costs, and apply that % to the gross retiree costs between the threshold reduction and limit reduction.
- This number will be reported for the Gross Eligible.

Estimated Premium (EP) Cost Reporting

- Portion of premium costs paid by the sponsor and by the qualifying covered retiree that is associated with the gross retiree costs between the cost threshold and the cost limit for prescription drug coverage.

Estimated Premium (EP) Cost Reporting

- Option for fully-insured plans
- Percentage of premium cost reporting data elements provided by Sponsor:
 1. **Premium costs**
 2. **Estimated Cost Adjustment (may either be reported separately, or reflected in premium cost estimate)**

Estimated Premium (EP) Cost Reporting

The slide shows the various elements involved in RDS cost reporting and indicates which are used for the Estimated Premium (EP) Cost Reporting. A table illustrates this. It has nine columns and one row. The columns reflect the data fields and the row indicates which field is used in the EP calculation. The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The row has information entered to show what would be entered. Column 1 – Month has Month, Column 2 – Estimated Premium (EP) has a zero, Column 3 – Gross Retiree Cost (GRC) has N/A, Column 4 – Threshold Reduction (THR) has N/A, Column 5 – Limit Reduction (LR) has N/A, Column 6 – Gross Eligible (GE), Column 7 – Estimated Cost Adjustment (ECA), Column 8 – Allowable Retiree Costs (ARC), and Column 9 – Subsidy Paid (SP) have zeros.

Estimated Premium (EP) Cost Reporting Example

- The insurer determines that the total EP cost for Plan Sponsor for January is \$600.
- Further, in determining the Estimated Cost Adjustment (ECA), the Plan Sponsor uses a methodology that allocates rebates as a percentage of incurred drug costs for each qualifying covered retiree between the cost threshold and the cost limit. Under that methodology, the Plan Sponsor determines the ECA to be 3 percent.
- The rebate was not factored into the premiums in this example.

Estimated Premium (EP)

Cost Reporting Example

- In this example, \$600 should be entered in the EP column for January. The ECA amount for January is \$18 ($\$600 \times 3\%$). If the \$18 is entered in the ECA column, then the Allowable Retiree Cost for January is \$582 ($\$600.00 - \$18.00 = \582.00).

Estimated Premium (EP) Cost Reporting Example

The table illustrates the example. It has nine columns and one row. The columns reflect the data fields and the row displays the information presented in the example.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the example is illustrated in the row as follows: Month, January; Estimated Premium (EP), \$600; Gross Retiree Cost (GRC), N/A; Threshold Reduction (THR), N/A; Limit Reduction (LR), N/A; Gross Eligible (GE), \$600; Estimated Cost Adjustment (ECA), \$18; Allowable Retiree Costs (ARC), \$582; Subsidy Paid (SP), \$162.96.

Reporting 2005 Drug Costs

- The retiree was Medicare eligible as of 1/1/2006 and was enrolled in the plan in 2005.
- The retiree did not have to be Medicare-eligible before 1/1/2006 in order to count the 2005 costs; however, if the retiree became Medicare-eligible effective 1/2/2006 or thereafter, the costs only start incurring toward the threshold at the point of Medicare eligibility.

Reporting 2005 Drug Costs

- Only costs incurred while the retiree is not in current employment status with the RDS sponsor/employer can be counted toward the Threshold Reduction.
- Only costs incurred for Part D drugs can be counted.
- The 2005 Part D drug costs of a qualifying covered retiree are also counted against the Limit Reduction. Accordingly, if a retiree incurs \$5,000 in Part D drug costs in 2005, the retiree is *not eligible* to be counted for the subsidy in 2006. However, continue to include costs for this retiree throughout the plan year.

Reporting 2005 Drug Costs Example

Plan year that begins April 1, 2005 and ends in March 31, 2006.

There are seven qualifying covered retirees that are eligible for the subsidy:

- **Bill Brown**, incurred costs of \$250 in June 2005, \$380 in July 2005, \$630 in August 2005 and \$320.30 in January 2006.
- **John Jakes**, incurred costs of \$140.12 in July 2005 and \$150.10 in November 2005.
- **Tina Clark**, incurred costs of \$270.10 in April 2005 and \$201.50 in May 2005.
- **Tim Jones**, incurred costs of \$4500 in December 2005 and \$600 in January 2006.
- **Ana Smith** (*will not be eligible for subsidy in 2006*), incurred costs of \$6000 in December 2005 and \$300 in January 2006.
- **Sam Adams**, incurred costs of \$200 in December 2005 and \$800 in January 2006.
- **Debra Berry**, incurred costs of \$350 in December 2005 and \$5000 in January 2006.

Reporting 2005 Drug Costs Example

Plan year that begins April 1, 2005 and ends in March 31, 2006.

The example is illustrated on a spreadsheet of 7 columns and 19 rows. The columns reflect the data fields being collected and the rows represent the various data elements collected. The first row contains the data field names: The data collected in this spreadsheet will go on to illustrate examples of each member shown here of how costs are reported.

Row one reads:

Column 1 – Member

Column 2 – NDC Code

Column 3 – Filled Date

Column 4 – Paid Date

Column 5 – Plan Paid

Column 6 – OOP

Column 7 – Gross

Row two reads:

Member –Ana Smith

NDC Code – EX555083202

Filled Date – 12/2/2005

Paid Date – 12/6/2005

Plan Paid – \$5990.00

OOP – \$10

Gross - \$6000.00

Row three reads:

Member –Ana Smith

NDC Code – EX557546207

Filled Date – 1/12/2006

Paid Date – 1/13/2006

Plan Paid – \$290.00

OOP – \$10

Gross - \$300.00

Row four reads:

Member –Bill Brown

NDC Code – EX555083202

Filled Date – 6/2/2005

Paid Date – 6/6/2005

Plan Paid – \$2400.00

OOP – \$10

Gross - \$250.00

Row five reads:

Member – Bill Brown

NDC Code – EX555083654

Filled Date – 7/2/2005

Paid Date – 7/6/2005

Plan Paid – \$370.00

OOP – \$10

Gross - \$380.00

Row six reads:

Member – Bill Brown

NDC Code – EX555083654

Filled Date – 8/2/2005

Paid Date – 8/6/2005

Plan Paid – \$370.00

OOP – \$10

Gross - \$3800.00

Row seven reads:

Member – Bill Brown

NDC Code – EX555056201

Filled Date – 8/10/2005

Paid Date – 8/12/2005

Plan Paid – \$2400.00

OOP – \$10

Gross – \$2500.00

Row eight reads:

Member – Bill Brown

NDC Code – EX555056202

Filled Date – 1/10/2006

Paid Date – 1/11/2006

Plan Paid – \$310.30

OOP – \$10

Gross - \$320.30

Row nine reads:

Member –Debra Berry
NDC Code – EX555083202
Filled Date – 12/2/2005
Paid Date – 12/6/2005
Plan Paid – \$340.00
OOP – \$10
Gross - \$350.00

Row ten reads:

Member –Debra Berry
NDC Code – EX654456213
Filled Date – 1/14/2006
Paid Date – 1/14/2006
Plan Paid – \$4990.00
OOP – \$10
Gross - \$5000.00

Row eleven reads:

Member –John Jakes
NDC Code – EX665443823
Filled Date – 7/2/2005
Paid Date – 7/3/2005
Plan Paid – \$130.12
OOP – \$10
Gross - \$140.12

Row twelve reads:

Member – John Jakes

NDC Code – EX665443824

Filled Date – 11/05/2005

Paid Date – 11/7/2005

Plan Paid – \$150.10

OOP – \$10

Gross - \$160.10

Row thirteen reads:

Member – Sam Adams

NDC Code – EX555083202

Filled Date – 12/2/2005

Paid Date – 12/6/2005

Plan Paid – \$190.00

OOP – \$10

Gross - \$200.00

Row fourteen reads:

Member – Sam Adams

NDC Code – EX654827733

Filled Date – 1/21/2006

Paid Date – 1/24/2006

Plan Paid – \$5990.00

OOP – \$10

Gross - \$6000.00

Row fifteen reads:

Member – Sam Adams

NDC Code – EX555083202

Filled Date – 2/15/2006

Paid Date – 2/15/2005

Plan Paid – \$1230.33

OOP – \$10

Gross - \$1240.33

Row sixteen reads:

Member –Tim Jones

NDC Code – EX555083321

Filled Date – 12/2/2005

Paid Date – 12/6/2005

Plan Paid – \$4490.00

OOP – \$10

Gross - \$4500.00

Row seventeen reads:

Member –Tim Jones

NDC Code – EX55658202

Filled Date – 1/8/2006

Paid Date – 1/10/2006

Plan Paid – \$590.00

OOP – \$10

Gross - \$600.00

Row eighteen reads:

Member –Tina Clark

NDC Code – EX555083202

Filled Date – 1/8/2006

Paid Date – 1/10/2006

Plan Paid – \$260.10

OOP – \$10

Gross - \$270.10

Row nineteen reads:

Member –Tina Clark

NDC Code – EX575083342

Filled Date – 4/2/2005

Paid Date – 4/6/2005

Plan Paid – \$191.50

OOP – \$10

Gross - \$201.50

Reporting 2005 Drug Costs

Example – Bill Brown

Reporting 2005 Drug Costs, Example of Bill Brown

The slide shows a cost reporting table covering the months from April 2005 to March 2006. Overlaying this table is an insert from an Excel spreadsheet showing Bill Brown's cost information. This information is then shown on the cost reporting table inserted into the correct monthly rows and columns.

The insert is cut from Excel and has 4 columns across and 5 rows of Bill Brown cost data running down. The column headings from left to right are: Member; Filled Date; Paid Date, Gross.

Reading the insert across:

Row 1 are the column headings

Row 2, Member – Bill Brown; Filled Date – 6/2/2005; Paid Date – 6/6/2005; Gross - \$250.00

Row 3, Member – Bill Brown; Filled Date – 7/2/2005; Paid Date – 7/6/2005; Gross - \$380.00

Row 4, Member – Bill Brown; Filled Date – 8/2/2005; Paid Date – 8/6/2005; Gross - \$380.00

Row 5, Member – Bill Brown; Filled Date – 8/10/2005; Paid Date – 8/12/2005; Gross - \$250.00

Row 6, Member – Bill Brown; Filled Date – 1/11/2006; Paid Date – 1/10/2006; Gross - \$320.30

The cost reporting table illustrates the Bill Brown cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the Bill Brown example is illustrated as follows; months not mentioned have null data:

For the June 2005 row: Month, June 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$250.00; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the July 2005 row: Month, June 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$3800.00; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the August 2005 row: Month, June 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$630.00; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the January 2006 row: Month, June 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$320.30; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), \$320.30; Estimated Cost Adjustment (ECA), \$9.61; Allowable Retiree Costs (ARC), \$310.69; Subsidy Paid (SP), \$86.99

Reporting 2005 Drug Costs

Example – John Jakes

Reporting 2005 Drug Costs, Example of John Jakes

The slide shows a cost reporting table covering the months from April 2005 to March 2006. Overlaying this table is an insert from an Excel spreadsheet showing John Jakes's cost information. This information is then shown on the cost reporting table inserted into the correct monthly rows and columns.

The insert is cut from Excel and has 4 columns across and 2 rows of John Jakes cost data running down. The column headings from left to right are: Member; Filled Date; Paid Date, Gross.

Reading the insert across:

Row 1 are the column headings

Row 2, Member – John Jakes; Filled Date – 7/2/2005; Paid Date – 7/3/2005; Gross - \$140.12

Row 3, Member – John Jakes; Filled Date – 11/5/2005; Paid Date – 11/7/2005; Gross - \$160.10

The cost reporting table illustrates the John Jakes cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the John Jakes example is illustrated as follows; months not mentioned have null data:

For the July 2005 row: Month, July 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$140.12; Threshold Reduction (THR), \$140.12; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the November 2005 row: Month, November 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$160.10; Threshold Reduction (THR), \$109.88; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

Reporting 2005 Drug Costs

Example – Tina Clark

Reporting 2005 Drug Costs, Example of Tina Clark

The slide shows a cost reporting table covering the months from April 2005 to March 2006. Overlaying this table is an insert from an Excel spreadsheet showing Tina Clark's cost information. This information is then shown on the cost reporting table inserted into the correct monthly rows and columns.

The insert is cut from Excel and has 4 columns across and 2 rows of Tina Clark cost data running down. The column headings from left to right are: Member; Filled Date; Paid Date, Gross.

Reading the insert across:

Row 1 are the column headings

Row 2, Member – Tina Clark; Filled Date – 4/2/2005; Paid Date – 4/6/2005; Gross - \$270.10

Row 3, Member – Tina Clark; Filled Date – 5/5/2005; Paid Date – 5/6/2005; Gross - \$201.50

The cost reporting table illustrates the Tina Clark cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the Tina Clark example is illustrated as follows; months not mentioned have null data:

For the April 2005 row: Month, April 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$270.10; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the May 2005 row: Month, May 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$201.50; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

Reporting 2005 Drug Costs

Example – Tim Jones

Reporting 2005 Drug Costs, Example of Tim Jones

The slide shows a cost reporting table covering the months from April 2005 to March 2006. Overlaying this table is an insert from an Excel spreadsheet showing Tim Jones's cost information. This information is then shown on the cost reporting table inserted into the correct monthly rows and columns.

The insert is cut from Excel and has 4 columns across and 2 rows of Tim Jones cost data running down. The column headings from left to right are: Member; Filled Date; Paid Date, Gross.

Reading the insert across:

Row 1 are the column headings

Row 2, Member – Tim Jones; Filled Date – 12/2/2005; Paid Date – 12/6/2005; Gross - \$4500.00

Row 3, Member – Tim Jones; Filled Date – 1/8/2006; Paid Date – 1/10/2006; Gross - \$600.00

The cost reporting table illustrates the Tim Jones cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the Tim Jones example is illustrated as follows; months not mentioned have null data:

For the December 2005 row: Month, December 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$4500.00; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the January 2006 row: Month, January 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$600.00; Threshold Reduction (THR), zero; Limit Reduction (LR), \$100.00; Gross Eligible (GE), \$500.00; Estimated Cost Adjustment (ECA), \$15.00; Allowable Retiree Costs (ARC), \$485.00; Subsidy Paid (SP), \$135.80

Reporting 2005 Drug Costs

Example – Ana Smith

Reporting 2005 Drug Costs, Example of Ana Smith

The slide shows a cost reporting table covering the months from April 2005 to March 2006. Overlaying this table is an insert from an Excel spreadsheet showing Ana Smith's cost information. This information is then shown on the cost reporting table inserted into the correct monthly rows and columns.

The insert is cut from Excel and has 4 columns across and 2 rows of Ana Smith cost data running down. The column headings from left to right are: Member; Filled Date; Paid Date, Gross.

Reading the insert across:

Row 1 are the column headings

Row 2, Member – Ana Smith; Filled Date – 12/2/2005; Paid Date – 12/6/2005; Gross - \$6000.00

Row 3, Member – Ana Smith; Filled Date – 1/12/2006; Paid Date – 1/13/2006; Gross - \$300.00

The cost reporting table illustrates the Ana Smith cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the Ana Smith example is illustrated as follows; months not mentioned have null data:

For the December 2005 row: Month, December 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$6000.00; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), \$1000.00; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the January 2006 row: Month, January 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$300.00; Threshold Reduction (THR), zero; Limit Reduction (LR), \$300.00; Gross Eligible (GE), zero; Estimated Cost Adjustment (ECA), zero; Allowable Retiree Costs (ARC), zero; Subsidy Paid (SP), zero

Reporting 2005 Drug Costs

Example – Sam Adams

Reporting 2005 Drug Costs, Example of Sam Adams

The slide shows a cost reporting table covering the months from April 2005 to March 2006. Overlaying this table is an insert from an Excel spreadsheet showing Sam Adams's cost information. This information is then shown on the cost reporting table inserted into the correct monthly rows and columns.

The insert is cut from Excel and has 4 columns across and 3 rows of Sam Adams cost data running down. The column headings from left to right are: Member; Filled Date; Paid Date, Gross.

Reading the insert across:

Row 1 are the column headings

Row 2, Member – Sam Adams; Filled Date – 12/2/2005; Paid Date – 12/6/2005; Gross - \$200.00

Row 3, Member – Sam Adams; Filled Date – 1/21/2006; Paid Date – 1/24/2006; Gross - \$800.00

Row 4, Member – Sam Adams; Filled Date – 2/15/2006; Paid Date – 2/15/2006; Gross - \$1240.33

The cost reporting table illustrates the Sam Adams cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the Sam Adams example is illustrated as follows; months not mentioned have null data:

For the December 2005 row: Month, December 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$200.00; Threshold Reduction (THR), \$200.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the January 2006 row: Month, January 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$800.00; Threshold Reduction (THR), \$50.00; Limit Reduction (LR), zero; Gross Eligible (GE), \$750.00; Estimated Cost Adjustment (ECA), \$22.50; Allowable Retiree Costs (ARC), \$727.50; Subsidy Paid (SP), \$203.70

For the February 2006 row: Month, February 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$1240.33; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), \$1240.33; Estimated Cost Adjustment (ECA), \$37.21; Allowable Retiree Costs (ARC), \$1203.12; Subsidy Paid (SP), \$336.87

Reporting 2005 Drug Costs

Example – Debra Berry

Reporting 2005 Drug Costs, Example of Debra Berry

The slide shows a cost reporting table covering the months from April 2005 to March 2006. Overlaying this table is an insert from an Excel spreadsheet showing Debra Berry's cost information. This information is then shown on the cost reporting table inserted into the correct monthly rows and columns.

The insert is cut from Excel and has 4 columns across and 2 rows of Debra Berry cost data running down. The column headings from left to right are: Member; Filled Date; Paid Date, Gross.

Reading the insert across:

Row 1 are the column headings

Row 2, Member – Debra Berry; Filled Date – 12/2/2005; Paid Date – 12/6/2005; Gross - \$350.00

Row 3, Member – Debra Berry; Filled Date – 1/14/2006; Paid Date – 1/14/2006; Gross - \$5000.00

The cost reporting table illustrates the Debra Berry cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the Debra Berry example is illustrated as follows; not mentioned have null data:

For the December 2005 row: Month, December 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$350.00; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the January 2006 row: Month, January 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$5000.00; Threshold Reduction (THR), zero; Limit Reduction (LR), \$350.00; Gross Eligible (GE), \$4650.00; Estimated Cost Adjustment (ECA), \$139.50; Allowable Retiree Costs (ARC), \$4510.50; Subsidy Paid (SP), \$1262.94

Reporting 2005 Drug Costs

Example - Aggregated

Reporting 2005 Drug Costs, Example Aggregated

The slide shows a cost reporting table covering the months from April 2005 to March 2006 with cost reporting data aggregated.

The cost reporting table aggregates all cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The aggregated cost data is illustrated as follows; months not mentioned have null data:

For the April 2005 row: Month, April 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$270.10; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the May 2005 row: Month, May 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$201.50; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the June 2005 row: Month, June 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$250.00; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the July 2005 row: Month, July 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$520.12; Threshold Reduction (THR), \$140.12; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the August 2005 row: Month, August 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$630.00; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the November 2005 row: Month, November 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$160.10; Threshold Reduction (THR), \$109.88; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the December 2005 row: Month, December 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$11050.00; Threshold Reduction (THR), \$950.00; Limit Reduction (LR), \$1000.00; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the January 2006 row: Month, January 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$7020.30; Threshold Reduction (THR), \$50.00; Limit Reduction (LR), \$750.00; Gross Eligible (GE), \$6220.30; Estimated Cost Adjustment (ECA), \$186.61; Allowable Retiree Costs (ARC), \$6033.69; Subsidy Paid (SP), \$1689.43

For the February 2006 row: Month, February 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$1240.33; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), \$1240.33; Estimated Cost Adjustment (ECA), \$37.21; Allowable Retiree Costs (ARC), \$1203.12; Subsidy Paid (SP), \$336.87

Revising Previously Submitted Cost Data

- Cost data will be reported to the RDS Center *by the month it was incurred*.
- You will need to adjust a previously reported cost data for a month if, at a later date, you receive cost data relevant to a month already reported to the RDS Center (i.e., new or adjusted cost data for a month previously reported to the RDS Center).

Revising Cost Data - Original

Revising Cost Data – Original

The original cost data is illustrated on a spreadsheet of 7 columns and 19 rows. The columns reflect the data fields being collected and the rows represent the various data elements collected. The first row contains the data field names: The data collected in this spreadsheet will go on to illustrate examples of each member shown here of how costs are reported.

Row one reads:

Column 1 – Member

Column 2 – NDC Code

Column 3 – Filled Date

Column 4 – Paid Date

Column 5 – Plan Paid

Column 6 – OOP

Column 7 – Gross

Row two reads:

Member – Ana Smith

NDC Code – EX555083202

Filled Date – 12/2/2005

Paid Date – 12/6/2005

Plan Paid – \$5990.00

OOP – \$10

Gross - \$6000.00

Row three reads:

Member –Ana Smith
NDC Code – EX557546207
Filled Date – 1/12/2006
Paid Date – 1/13/2006
Plan Paid – \$290.00
OOP – \$10
Gross - \$300.00

Row four reads:

Member –Bill Brown
NDC Code – EX555083202
Filled Date – 6/2/2005
Paid Date – 6/6/2005
Plan Paid – \$2400.00
OOP – \$10
Gross - \$250.00

Row five reads:

Member – Bill Brown
NDC Code – EX555083654
Filled Date – 7/2/2005
Paid Date – 7/6/2005
Plan Paid – \$370.00
OOP – \$10
Gross - \$380.00

Row six reads:

Member – Bill Brown
NDC Code – EX555083654
Filled Date – 8/2/2005
Paid Date – 8/6/2005
Plan Paid – \$370.00
OOP – \$10
Gross - \$3800.00

Row seven reads:

Member – Bill Brown
NDC Code – EX555056201
Filled Date – 8/10/2005
Paid Date – 8/12/2005
Plan Paid – \$2400.00
OOP – \$10
Gross – \$2500.00

Row eight reads:

Member – Bill Brown
NDC Code – EX555056202
Filled Date – 1/10/2006
Paid Date – 1/11/2006
Plan Paid – \$310.30
OOP – \$10
Gross - \$320.30

Row nine reads:

Member –Debra Berry
NDC Code – EX555083202
Filled Date – 12/2/2005
Paid Date – 12/6/2005
Plan Paid – \$340.00
OOP – \$10
Gross - \$350.00

Row ten reads:

Member –Debra Berry
NDC Code – EX654456213
Filled Date – 1/14/2006
Paid Date – 1/14/2006
Plan Paid – \$4990.00
OOP – \$10
Gross - \$5000.00

Row eleven reads:

Member –John Jakes
NDC Code – EX665443823
Filled Date – 7/2/2005
Paid Date – 7/3/2005
Plan Paid – \$130.12
OOP – \$10
Gross - \$140.12

Row twelve reads:

Member – John Jakes

NDC Code – EX665443824

Filled Date – 11/05/2005

Paid Date – 11/7/2005

Plan Paid – \$150.10

OOP – \$10

Gross - \$160.10

Row thirteen reads:

Member – Sam Adams

NDC Code – EX555083202

Filled Date – 12/2/2005

Paid Date – 12/6/2005

Plan Paid – \$190.00

OOP – \$10

Gross - \$200.00

Row fourteen reads:

Member – Sam Adams

NDC Code – EX654827733

Filled Date – 1/21/2006

Paid Date – 1/24/2006

Plan Paid – \$5990.00

OOP – \$10

Gross - \$6000.00

Row fifteen reads:

Member – Sam Adams

NDC Code – EX555083202

Filled Date – 2/15/2006

Paid Date – 2/15/2005

Plan Paid – \$1230.33

OOP – \$10

Gross - \$1240.33

Row sixteen reads:

Member –Tim Jones

NDC Code – EX555083321

Filled Date – 12/2/2005

Paid Date – 12/6/2005

Plan Paid – \$4490.00

OOP – \$10

Gross - \$4500.00

Row seventeen reads:

Member –Tim Jones

NDC Code – EX55658202

Filled Date – 1/8/2006

Paid Date – 1/10/2006

Plan Paid – \$590.00

OOP – \$10

Gross - \$600.00

Row eighteen reads:

Member –Tina Clark

NDC Code – EX555083202

Filled Date – 1/8/2006

Paid Date – 1/10/2006

Plan Paid – \$260.10

OOP – \$10

Gross - \$270.10

Row nineteen reads:

Member –Tina Clark

NDC Code – EX575083342

Filled Date – 4/2/2005

Paid Date – 4/6/2005

Plan Paid – \$191.50

OOP – \$10

Gross - \$201.50

Revising Cost Data - Adjusted

Revising Cost Data – Adjusted

The following adjustments are made to the original cost data;

Row 10 was deleted after initial cost report for that month. The data deleted was:

Member –Debra Berry
NDC Code – EX654456213
Filled Date – 1/14/2006
Paid Date – 1/14/2006
Plan Paid – \$4990.00
OOP – \$10
Gross - \$5000.00

A new row was added for John Jakes with the following data:

Member – John Jakes
NDC Code – EX666666666
Filled Date – 9/5/2005
Paid Date – 11/7/2005
Plan Paid – \$280.00
OOP – \$10
Gross - \$290.00

A new row of March cost report data was added for John Jakes:

Member –John Jakes

NDC Code – EX665443825

Filled Date – 3/12/2006

Paid Date – 3/15/2006

Plan Paid – \$330.45

OOP – \$10

Gross - \$340.45

Revising Cost Data

Example – John Jakes

Revising Cost Data, Example of John Jakes

The slide shows a cost reporting table covering the months from April 2005 to March 2006. Overlaying this table is an insert from the revised cost data spreadsheet showing John Jakes's revised cost information. This information is then shown on the cost reporting table inserted into the correct monthly rows and columns.

The insert is cut from Excel and has 7 columns across and 4 rows of John Jakes cost data running down. There are no column headings, but the data is taken from the previous Excel spreadsheet and the column headings from left to right were: Member, NDC Code, Filled Date, Paid Date, Plan Paid, OOP, Gross

Reading the insert across:

Row 1, Member – John Jakes; NDC Code – EX665443823; Filled Date – 7/2/2005; Paid Date – 7/3/2005; Plan Paid – \$130.12: OOP – \$10.00: Gross – \$140.12

Row 2 highlighted to show it is a revision, Member – John Jakes; NDC Code – EX666666666; Filled Date – 9/5/2005; Paid Date – 11/07/2005; Plan Paid – \$280.00: OOP – \$10.00: Gross – \$290.00

Row 3, Member – John Jakes; NDC Code – EX665443824; Filled Date – 11/5/2005; Paid Date – 11/07/2005; Plan Paid – \$150.10: OOP – \$10.00: Gross – \$160.10

Row 4 highlighted to show it is a revision, Member – John Jakes; NDC Code – EX665443825; Filled Date – 3/12/2006; Paid Date – 3/15/2006; Plan Paid – \$330.45: OOP – \$10.00: Gross – \$340.45

The cost reporting table illustrates the John Jakes cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the John Jakes revised cost example is illustrated as follows with the revised rows highlighted; months not mentioned have null data:

For the July 2005 row: Month, July 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$140.12; Threshold Reduction (THR), \$140.12; Limit Reduction (LR), zero; Column 6, N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the September 2005 row highlighted to show it is a revision: Month, September 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$290.00; Threshold Reduction (THR), \$109.88; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the November 2005 row highlighted to show it is a revision: Month, November 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$160.10; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the March 2006 row: Month, March 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$340.45; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), \$340.45; Estimated Cost Adjustment (ECA), \$10.21; Allowable Retiree Costs (ARC), \$330.24; Subsidy Paid (SP), \$92.47

Revising Cost Data

Example – Debra Berry

Revising Cost Data, Example of Debra Berry

The slide shows a cost reporting table covering the months from April 2005 to March 2006. Overlaying this table is an insert from the revised cost data spreadsheet showing Debra Berry's revised cost information. This information is then shown on the cost reporting table inserted into the correct monthly rows and columns.

The insert is cut from Excel and has 7 columns across and 2 rows of Debra Berry cost data running down. There are no column headings, but the data is taken from the previous Excel spreadsheet and the column headings from left to right were: Member, NDC Code, Filled Date, Paid Date, Plan Paid, OOP, Gross

Reading the insert across:

Row 1, Member – Debra Berry; NDC Code – EX555083202; Filled Date – 12/2/2005; Paid Date – 12/6/2005; Plan Paid – \$340.00: OOP – \$10.00: Gross – \$350.00

Row 2 highlighted to show it is a revision, Member – Debra Berry; NDC Code – EX654458213; Filled Date – 1/14/2006; Paid Date – 1/14/2006; Plan Paid – \$4990.00: OOP – \$10.00: Gross – \$5000.00

The cost reporting table illustrates the Debra Berry cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The information from the Debra Berry revised cost example is illustrated as follows with the revised rows highlighted; rows not mentioned have null data:

For the December 2005 row: Month, December 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$350.00; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the January 2006 row highlighted to show it is a revision: Month, January 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), zero; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), zero; Estimated Cost Adjustment (ECA), zero; Allowable Retiree Costs (ARC), zero; Subsidy Paid (SP), zero

Revising Cost Data

Example – Aggregated

Revising Cost Data, Example Aggregated

The slide shows a cost reporting table covering the months from April 2005 to March 2006 with revised cost reporting data aggregated.

The cost reporting table aggregates all cost data in the correct months and with the correct RDS adjustments. It has nine columns and 12 rows. The columns reflect the data fields and the rows display the information presented in the example by month running from April 2005 to March 2006.

The column headings are left to right: Column 1 – Month, with a note that this data is calculated by the RDS Center; Column 2 – Estimated Premium (EP), with a note that this data is provided by the Sponsor; Column 3 – Gross Retiree Cost (GRC); Column 4 – Threshold Reduction (THR); Column 5 – Limit Reduction (LR); Column 6 – Gross Eligible (GE), with a note that this data is calculated by the RDS Center; Column 7 – Estimated Cost Adjustment (ECA), with a note that this data is provided by the Sponsor; Column 8 – Allowable Retiree Costs (ARC), with a note that this data is calculated by the RDS Center; and Column 9 – Subsidy Paid (SP), with a note that this data is calculated by the RDS center.

The aggregated cost data is illustrated as follows:

For the April 2005 row: Month, April 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$270.10; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the May 2005 row: Month, May 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$201.50; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the June 2005 row: Month, June 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$250.00; Threshold Reduction (THR), \$250.00; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the July 2005 row: Month, July 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$520.12; Threshold Reduction (THR), \$140.12; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the August 2005 row: Month, August 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$630.00; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the September 2005 row highlighted to show it is a revision: Month, September 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$290.00; Threshold Reduction (THR), \$109.88; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the November 2005 row highlighted to show it is a revision: Month, November 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$160.10; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the December 2005 row: Month, December 2005; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$11050.00; Threshold Reduction (THR), \$950.00; Limit Reduction (LR), \$1000.00; Gross Eligible (GE), N/A; Estimated Cost Adjustment (ECA), N/A; Allowable Retiree Costs (ARC), N/A; Subsidy Paid (SP), N/A

For the January 2006 row highlighted to show it is a revision: Month, January 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$2020.30; Threshold Reduction (THR), \$50.00; Limit Reduction (LR), \$400.00; Gross Eligible (GE), \$1570.30; Estimated Cost Adjustment (ECA), \$47.11; Allowable Retiree Costs (ARC), \$1523.19; Subsidy Paid (SP), \$426.50

For the February 2006 row: Month, February 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$1240.33; Threshold Reduction (THR), zero; Limit Reduction (LR), zero; Gross Eligible (GE), \$1240.33; Estimated Cost Adjustment (ECA), \$37.21; Allowable Retiree Costs (ARC), \$1203.12; Subsidy Paid (SP), \$336.87

For the March 2006 row: Month, March 2006; Estimated Premium (EP), N/A; Gross Retiree Cost (GRC), \$340.45; Threshold Reduction (THR), \$340.45; Limit Reduction (LR), zero; Gross Eligible (GE), \$340.45; Estimated Cost Adjustment (ECA), \$10.21; Allowable Retiree Costs (ARC), \$330.24; Subsidy Paid (SP), \$92.47

Using Vendors for Cost Reporting

- The term “Vendor” refers to a Pharmacy Benefit Manager, Health Plan, or another third party Company that has been contracted by one or multiple Plan Sponsors to report cost(s).
- Vendors will be assigned a Vendor ID by the RDS Center.
- Sponsor may choose to make an individual employed by the Vendor a Designee and report costs via data entry in the RDS Secure Web Site.

Vendors Reporting Mainframe-to-Mainframe

- Vendors may send a single mainframe file with cost data for multiple applications.
- Sponsors will be able to view mainframe-to-mainframe cost report data submitted by their vendor(s) on the RDS Secure Web Site; however, the sponsor will not be able to edit the data using the RDS Secure Web Site. Data may only be revised via mainframe files.
- Sponsor may also choose to make an individual employed by the Vendor a Designee with the ability to view submitted cost data.

Multiple Vendors, One Benefit Option

- Multiple Vendors may report cost data for one benefit option.
- All Vendors reporting for the same benefit option should report using the same methodology (gross cost or estimated premiums).
- Vendor A will not be able to see Vendor B's cost data, or vice versa.

State versus Federal Privacy Laws (HIPAA)

- Sponsors must follow HIPAA State laws if they are more stringent than Federal laws.
- See CMS' web site (cms.hhs.gov) FAQ #5482 for additional information.

Authorized Representative Verification Form

- As a precondition to requesting subsidy payments, all Plan Sponsors must complete and submit to CMS the AR Verification form.
- Authorized Representative Verification form must be submitted for each Plan Sponsor ID, not for every application.
- Because Retiree Drug Subsidy payments are made with Medicare trust fund dollars, the collection of this data ensures that the *RDS* Center makes accurate subsidy payments to legitimate Sponsors and protects tax payer monies as required by law.
- See RDS Program Web Site (rds.cms.hhs.gov) home page for AR Verification Form announcement and template.
- The Authorized Representative Verification form shall be completed by an individual with sufficient position and title to verify the Authorized Representative's identity.

Resource Reminders

- RDS Program Web Site (<http://rds.cms.hhs.gov/>) – 2/8/2206 home page announcement, 1/23/2006 home page announcement, 9/22/2005 announcement archive
- Authorized Representative Verification Form announcement: http://rds.cms.hhs.gov/news/announcements/ar_vetting_letter.htm
- Federal Register notice - <http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-19070.pdf>
- Federal Register supporting documentation - <http://www.cms.hhs.gov/PaperworkReductionActof1995/PRAL/itemdetail.asp?filterType=non&filterByDID=99&sortByDID=2&sortOrder=descending&itemID=CMS053471>

Resource Reminders

- Details for Release of Formulary Reference NDC File for CY 2007 Formulary Submissions -
<http://www.cms.hhs.gov/PrescriptionDrugCovContra/HPMSGH/itemdetail.asp?filterType=none&filterByDID=99&sortByDID=2&sortOrder=descending&itemID=CMS058882>
- Medicare Part B vs Part D coverage issues -
<http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/BvsDCoverageIssues.pdf>
- More Part B vs Part D detail can be found at -
http://www.cms.hhs.gov/PrescriptionDrugCovGenin/Downloads/PartBandPartDdoc_07.27.05.pdf

RDS Secure Web Site Releases

- Interim Payment Setup Functionality – April 6, 2006
- Interim Cost Reporting and Payment Request Functionality – July 1, 2006

Thank you.